
A BILL FOR AN ACT

RELATING TO PUBLIC UTILITIES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The public utilities commission and the
2 division of consumer advocacy of the department of commerce and
3 consumer affairs serve indispensable functions that are
4 necessary to implement sound energy policies for the State of
5 Hawaii.

6 However, both agencies face difficulties that diminish
7 their ability to perform effectively. These includes:

- 8 (1) Difficulty attracting and retaining qualified staff to
9 perform the specialized duties entailed in utility
10 regulation;
- 11 (2) Specialized job requirements that do not correspond
12 with existing job descriptions and classifications and
13 bureaucratic obstacles in changing job descriptions
14 and classifications;
- 15 (3) Salaries that are substantially below mainland agency
16 or private sector equivalents; and



1 (4) Agency organizational structures that are archaic and
2 do not support efficient work flow or the matching of
3 human resources to the required tasks.

4 Further, although both agencies purportedly have an
5 independent source of funding, that is, the public utilities
6 commission special fund and the compliance resolution fund,
7 because excess balances in the funds lapse into the general
8 fund, the result is restrictive oversight of the funds by the
9 department of budget and finance, the administration, and the
10 legislature.

11 Additionally, public utility commission staff salaries, in
12 addition to being limited by state job classification pay
13 scales, are limited by the "glass ceiling" established by the
14 commissioners' disproportionately low salaries.

15 The purpose of this Act is to adopt policies and reforms to
16 support the public utilities commission and the division of
17 consumer advocacy in their progressive and aggressive efforts to
18 protect ratepayers and the public and implement the State's
19 energy strategy. This Act also ensures that the public
20 utilities commission and the division of consumer advocacy have
21 the resources to timely and fairly address regulatory issues
22 regarding technological advances and operational efficiencies



1 that encourage balanced growth and investment and ensure system
2 reliability.

3 SECTION 2. Section 269-2, Hawaii Revised Statutes, is
4 amended by amending subsection (b) to read as follows:

5 "(b) Effective July 1, [~~2005~~] 2006, the chairperson of
6 the commission shall be paid a salary set at [~~eighty-seven~~] one
7 hundred per cent of the salary of the director of [~~human~~
8 ~~resources development~~] commerce and consumer affairs, and each
9 of the other commissioners shall be paid a salary equal to
10 ninety-five per cent of the chairperson's salary. The
11 commissioners shall be exempt from chapters 76 and 89 but shall
12 be members of the state employees retirement system and shall be
13 eligible to receive the benefits of any state or federal
14 employee benefit program generally applicable to officers and
15 employees of the State, including those under chapter 87A.

16 The commission is placed within the department of budget
17 and finance for administrative purposes."

18 SECTION 3. Section 269-3, Hawaii Revised Statutes, is
19 amended by amending subsection (a) to read as follows:

20 "(a) The chairperson of the public utilities commission
21 may appoint and employ [~~such~~] clerks, stenographers, agents,
22 engineers, accountants, and other assistants for the public



1 utilities commission as the chairperson finds necessary for the
2 performance of the commission's functions and define their
3 powers and duties. The chairperson may appoint, and at
4 pleasure, dismiss a chief administrator, research assistants,
5 economists, legal secretaries, enforcement officers, utility
6 analysts, legal assistants, and [~~such~~] hearings officers as may
7 be necessary. Notwithstanding section 103D-209(b), the
8 chairperson shall appoint one or more attorneys independent of
9 the attorney general who shall act as attorneys for the
10 commission and define their powers and duties and fix their
11 compensation. The chief administrator, research assistants,
12 economists, legal secretaries, enforcement officers, hearings
13 officers, utility analysts, legal assistants, and attorneys
14 shall be exempt from chapter 76. Other employees shall be
15 appointed as may be needed by the chairperson in accordance with
16 chapter 76."

17 SECTION 4. Section 269-33, Hawaii Revised Statutes, is
18 amended as follows:

19 1. By amending its title to read:

20 "**§269-33 Public utilities commission special fund[-];**
21 **suspension of public utility fees.**"

22 2. By amending subsection (d) to read:



1 "(d) [~~All moneys in excess of \$1,000,000 remaining on~~
2 ~~balance in the public utilities commission special fund on~~
3 ~~June 30 of each year shall lapse to the credit of the state~~
4 ~~general fund.] The public utilities commission may suspend
5 collection of public utilities fees when the balance of the
6 public utilities commission special fund exceeds \$3,000,000,
7 provided that the suspension shall not apply to utilities paying
8 a flat fee of \$30 under section 269-30(b)."~~

9 SECTION 5. There is appropriated out of the public
10 utilities commission special fund established under section
11 269-33, Hawaii Revised Statutes, the sum of \$ or so
12 much thereof as may be necessary for fiscal year 2006-2007 to
13 enable the public utilities commission to reorganize, thus
14 allowing it to respond timely and effectively to current
15 regulatory issues, including technology advances and operational
16 efficiencies that encourage balanced growth and investment and
17 ensure system reliability.

18 SECTION 6. The sum appropriated by section 5 of this Act
19 shall be expended by the public utilities commission.

20 SECTION 7. There is appropriated out of the compliance
21 resolution fund established under section 26-9(o), Hawaii
22 Revised Statutes, the sum of \$ or so much thereof as



1 may be necessary for fiscal year 2006-2007 for the department of
2 commerce and consumer affairs' division of consumer advocacy to
3 reorganize, thus allowing it to respond timely and effectively
4 to current regulatory issues, including technology advances and
5 operational efficiencies that encourage balanced growth and
6 investment and ensure system reliability.

7 SECTION 8. The sum appropriated by section 7 of this Act
8 shall be expended by the department of commerce and consumer
9 affairs.

10 SECTION 9. Statutory material to be repealed is bracketed
11 and stricken. New statutory material is underscored.

12 SECTION 10. This Act shall take effect on July 1, 2006.



Report Title:

Public Utilities; Consumer Advocate; Salaries; Public Utilities
Commission Special Fund

Description:

Increases PUC commissioners' salary. Authorizes PUC chairperson to appoint utility analysts and legal assistants exempt from chapter 76. Authorizes the PUC to suspend collection of public utility fees when balance of PUC special fund exceeds \$3,000,000. (HB1021 HD1)

